

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

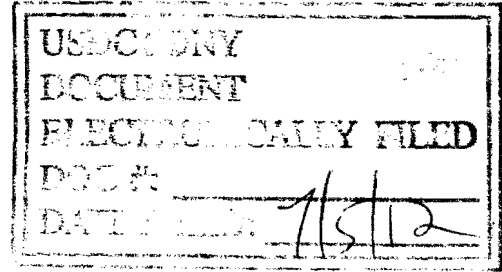
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SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

-v-

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,

Defendant.



12 MC 115 (JSR)

ORDER

In re:

MADOFF SECURITIES

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PERTAINS TO:

Picard v. Legacy Capital Ltd. et al.,
11 Civ. 7764 (JSR); Picard v. BNP
Paribas Securities Corp., 11 Civ.
7765 (JSR).

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JED S. RAKOFF, U.S.D.J.

Defendants Legacy Capital Limited, Montpellier Resources Limited, Khronos LLC, Khronos Capital Research LLC, Rafael Mayer, David Mayer, Isaac Jimmy Mayer (collectively, "the Legacy defendants") and BNP Paribas Securities Corp. ("BNP Paribas") have moved to withdraw the reference to the Bankruptcy Court of the adversarial proceeding brought against them by Irving H. Picard, the trustee of Bernard L. Madoff Investment Securities LLC ("Madoff Securities") appointed pursuant to the Securities Investor Protection Act ("SIPA"),

15 U.S.C. § 78aaa et seq. The Court has previously withdrawn the reference to address each of the issues that the Legacy defendants and BNP Paribas identify in their motions. See generally Picard v. Flinn Inv., LLC, 2011 WL 5921544 (S.D.N.Y. Nov. 28, 2011); Picard v. Avellino, 2012 WL 826602 (S.D.N.Y. Feb. 29, 2012); Picard v. Primeo Fund et al., 11 Civ. 6524 (JSR) (S.D.N.Y. May 15, 2012). Specifically, all defendants ask this Court to address:

1. whether 11 U.S.C. § 546(e) applies to this case, limiting the Trustee's ability to avoid transfers; and
2. whether the Court should withdraw the reference in light of Stern v. Marshall, 131 S. Ct. 2594 (2011), which, according to the defendants, holds that the Bankruptcy Court lacks the "judicial Power" necessary to enter final judgment on the claims at issue in their case.

The Legacy defendants also ask the Court to withdraw the reference to address:

3. whether SIPA and other securities laws alter the standard the Trustee must meet in order to show that a defendant did not receive transfers in "good faith" under 11 U.S.C. § 548(c); and

4. whether SIPA applies extraterritorially, permitting the Trustee to avoid or recover transfers that occurred abroad.

The Court has consolidated merits briefing in all proceedings that have raised these issues. See Order dated April 13, 2012; Order dated May 15, 2012; Order dated June 6, 2012; Order dated June 23, 2012. Accordingly, the Court directs the parties to continue according to the procedures that were arranged for the consolidated briefing. The Clerk of the Court is ordered to close item number one on the dockets of 11 Civ. 7764 and 11 Civ. 7765.

SO ORDERED.

A handwritten signature in black ink, appearing to read 'JED S. RAKOFF', is written over a horizontal line.

JED S. RAKOFF, U.S.D.J.

Dated: New York, New York

July 3, 2012